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April 6, 2006

Office of the Comptroller of the Currency
250 E. Street, SW
Public Reference Room
Mail Stop 1-5
Washington, DC 20219

Robert E. Feldman, Executive Secretary
Attn: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Docket No. 06-01

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G. Street, NW
Washington, DC 20552
Docket No. 2006-01

Jennifer Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave., NW
Washington, DC 20551
Docket No. OP-1248

Re: Proposal on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practice

Dear Sir or Madam:

I appreciate the opportunity to comment on the proposed guidance on Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices.

Having spent many years in Commercial Lending, I would agree that all institutions should have in place risk management practices and capital levels commensurate with the risks associated with any concentrations on commercial real estate lending. However, it appears that the proposed tests are too broad and arbitrary.

There is a large difference between the risks of a well-underwritten loan where the borrower has a significant investment and loans that offer overly liberal terms where the borrower has little or nothing to lose should the project fail.

It appears reasonable that rather than set arbitrary thresholds, the guidance should focus on the individual institution being examined. Institutions differ in the portfolio composition, experience and expertise of the lending and management staff, the thoroughness of loan underwriting and risk management practices

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and the specific economic condition of the local market that the institution may serve. It appears that the proposal may unnecessarily curtail commercial real estate lending and limit opportunities for community based banks to serve their communities and meet CRA requirements.

I appreciate the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to be 'F. Scogno', with a long horizontal flourish extending to the right.

Frederick C. Scogno
Vice President/
Chief Commercial Lending Officer

CC: David W. Lindstrom
President/Chief Executive
Officer/Director